

INFORMATION PAPER

Subject: COMMERCIAL TICKETING OFFICE (CTO) CONTRACT UPDATE

1. Purpose.

To update Traffic Management Offices regarding the CTO Worldwide contract.

2. Background.

The Management Initiative Decision (MID) 921 dated 18 Oct 2004 directed consolidation, streamlining, and central management of Commercial Travel Office (CTO) contracts. It also established roles and responsibilities for management oversight of the DOD commercial travel program. This plan includes the consolidation of existing and future CTO service contracts under the Defense Travel Management Office (DTMO). This MID centralizes functional oversight of commercial travel policy under the Under Secretary of Defense (Personnel and Readiness).

3. Key Points.

- It was expected that transferring, consolidating, and standardizing all DOD CTO contracts under the DTMO would allow the Department to:
 - Provide an integrated travel management approach within DoD and a "single face" to the travel industry for information exchanges with the government;
 - Reduce the number of personnel currently assigned to perform contracting for, and administration of, CTO services;
 - Realize cost savings and achieve economies and efficiencies once the CTO consolidation is complete;
 - Decrease the total number of contracts worldwide;
 - Decrease the number of unused tickets and the associated funds which paid for those tickets through insertion of common language in standardized travel contracts that will require vendors to reimburse the Department for unused tickets; and
 - Reduce the number of small business contracts, based on area reallocations, while increasing the percent of DoD travel volume covered by each small business contract from 6 to 12 percent.

- GAO announced and ruled in favor of a multi-vendor protest on 25 Jul 05 citing costing flaws in the rate solicitation.
- Contracts valued at \$800 million over five years ensured intense competition.

Take Away: Carlson Wagonlit Sato Travel was awarded the CTO Worldwide contract for the United States Marine Corps and started providing commercial travel services on 1 Dec 2008; exception being Small Business Set Asides (SBSAs) and OCONUS. DTMO asked the Marine Corps to extend our OCONUS contracts until which time the Asia Pacific task order is awarded later this year. Since a new contract has been let, we have also established new Centrally Billed Accounts (CBAs) with Citibank and established new logins/passwords when requested for Citibank's Electronic Access System (EAS).

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